



GARY R. HERBERT  
Governor

SPENCER J. COX  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

June 1, 2015

Certified Return Receipt  
7014 0150 0000 1194 2937

Al Cooper  
A.G. Cooper and Associates  
14405 Walters Road, Suite 330  
Houston, Texas 77014

Subject: Proposed Interim Reclamation Plan, GR200 LLC, GR 200 Mine, S/019/0066, Grand County, Utah

### Response required by June 19, 2015

Dear Mr. Cooper:

On May 18, 2015, Mike Bradley from the Division of Oil, Gas and Mining met with Dennis Cosby at the GR 200 mine site to discuss plans to reclaim or do additional permitting work to bring the mine into conformity with the Utah Mined Land Reclamation Act. This includes compliance with cessation order MN-2014-68-02 issued September 22, 2014, and the subsequent failure to abate cessation order issued December 9, 2014. These cessation orders require either, 1. that the mine be reclaimed, or 2. that the site be permitted and bonded as a large mine. They also require proper storage and handling for hazardous materials.

The fines associated with these cessation orders are the responsibility of the mine operator, GR 200 Plus LLC, whose manager is Eric Lewis. It is not known whether Mr. Lewis received both the cessation orders and the civil penalty assessments that followed though they were delivered to the address provided in the Notice of Intention to Commence Small Mining Operations (Notice). This issue must be resolved before options 2 or 3 below can be allowed to proceed.

Based on the meeting between Messrs. Bradley and Cosby, options for abating the cessation orders are:

1. Completely reclaim the site to the proposed post-mining land use conditions (agriculture). This will require replacing the excavated materials back into the pit, removing the buildings and all equipment, and either revegetating the site with an accepted mixture of seed, or immediately turning it over to agricultural production.
2. Reclaim the site back to five acres of disturbance as provided in the Notice. Given the size of the building and overburden footprints, this option would not leave much remaining area for continued mining.





3. Mr. Cosby said that, with your backing and agreement, he would like to complete on-site processing of existing ore stockpiles before placing the cleaned cobbles, gravels and soils back into the pit as part of reclaiming the site to bring it into compliance. Mr. Cosby's plan would be to process the existing segregated ore and start backfilling the excavation starting at the north end and working southward. A figure has been enclosed to illustrate what was discussed in the field. Mr. Cosby also stated that he would like to continue mining the site and keep the total disturbed area within permit limits, and could achieve that goal within two months of starting.

The operation is currently permitted for a total of five acres of disturbance. Disturbance includes the buildings, ore, soil and gravel pile footprints, graded areas for equipment, support facilities such as settling ponds, and any other surface disturbances related to the operation. The current disturbance is approximately 19 acres. Due to the size of the buildings, it is likely impractical to continue mining under the current five-acre area, so it was suggested that the permit be expanded to up to 10 acres. This would require an increase of the surety amount according to the following table.

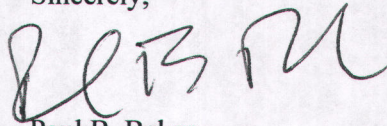
<b><i>Small Mine Operation &gt;5 Acres Bond Calculation Worksheet</i></b>			
<b><i>GR200 Plus Mine, S/019/0066</i></b>			
<b><i>3-year escalation (2018)</i></b>			
<b><u>Item</u></b>	<b><u>Qty</u></b>	<b><u>Unit Cost</u></b>	<b><u>Total Cost</u></b>
First 6 Acres Disturbance	1	\$37,900.00	\$37,900.00
Add'l Acres Disturbance	4	\$5,800.00	\$23,200.00
Building Demolition (lump sum)	1	\$12,000.00	\$12,000.00
General Mob/demob >50 miles	1	\$2,800.00	\$2,800.00
<b>TOTAL</b>	<b>10 Ac</b>		<b>\$75,900.00</b>
<b><i>5-year escalation (2020)</i></b>			
<b><u>Item</u></b>	<b><u>Qty</u></b>	<b><u>Unit Cost</u></b>	<b><u>Total Cost</u></b>
First 6 Acres Disturbance	1	\$38,100.00	\$38,100.00
Add'l Acres Disturbance	4	\$5,900.00	\$23,600.00
Building Demolition (lump sum)	1	\$12,000.00	\$12,000.00
General Mob/demob >50 miles	1	\$3,300.00	\$3,300.00
<b>TOTAL</b>	<b>10 Ac</b>		<b>\$77,000.00</b>



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Please discuss with Dennis Cosby what course you would like to pursue, then **please notify the Division no later than June 19, 2015, of your intention.** Thank you for your cooperation. In reply, please refer to file number S/019/0066. Please contact Mike Bradley at 801-538-5332 or me at 801-538-5261 if you have questions or concerns regarding this letter.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. B. Baker'.

Paul B. Baker  
Minerals Program Manager

PBB: mpb: eb  
Enclosure: Maps showing interim reclamation plan  
cc: Dennis Cosby (cosby34@citlink.net)  
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